IT’S HAPPENING: US Navy Just Blocked Silver Shipments (The $100 Gap Is HERE)

THE COLLAPSE OF THE PAPER MARKET AND THE TRIUMPH OF PHYSICAL SILVER

For decades, the Federal Reserve, major banks, and mainstream media dismissed silver as an irrelevant industrial byproduct or a "barbarous relic". However, as of Saturday, December 27, 2025, the global financial system is undergoing a seismic reconfiguration that challenges these long-held narratives. The silver spot price recently shattered both technical and psychological barriers, ending the trading session at approximately $79.24 per ounce. This massive rally represents a significant liquidation of short sellers as the market shifts toward the reality of physical supply. While Western markets were closed for a holiday weekend, the East prepared the stage for a total delivery default.

MARKET VOLATILITY AND THE GLOBAL SHORT SQUEEZE

The current price action is defined by a violent short squeeze, where institutional players who bet against silver are now forced to buy it back at any price to avoid bankruptcy,. Between December 26 and December 27, 2025, silver experienced relentless buying pressure, opening at $77.32 and reaching an intraday high of $79.38. On December 26 alone, the market gained over 7.4% in a single session, vaporizing resistance levels at $75 and $76.

The volatility over the last three days highlights this vertical parabolic move:

- December 25 saw a gain of 1.6%.
- December 26 recorded a massive 8.25% increase.
- December 27 saw consolidation near all-time highs with an additional 2.5% rise.

For investors in Europe, the situation is even more dramatic, with silver trading at 63.57 per ounce. Over the past year, the purchasing power of silver against the Euro has increased by a staggering 125.81%, serving as a shield against the erosion of fiat currency.

THE GOLD TO SILVER RATIO AND HISTORICAL MEANS

While gold has reached a record high of $4,557 per ounce—a 78% increase year-to-date—silver has more than doubled that performance with gains of up to 169%. Consequently, the gold-to-silver ratio has collapsed from 104 in April to a range of 57 to 58 today. Historically, when this ratio collapses during an explosive bull market, it often returns to its geological mean of 15 to 1. If gold remains at its current price and the ratio returns to 15 to 1, the price of silver would reach $300 per ounce.

THE SHANGHAI PHYSICAL SUPPLY CRISIS

China has become the epicenter of a physical supply crisis that is distorting global price mechanisms. One significant indicator was the 10% vertical collapse of the UBS SDIC silver futures fund in China. This crash was not caused by a lack of interest; rather, demand was so frantic that citizens bid the fund to a 62% premium over its actual silver holdings,. Managers had to limit new subscriptions to stop the frenzy as capital sought an exit from the collapsing real estate market and fiat currency.

Furthermore, the Shanghai Gold Exchange is experiencing a state of backwardation, where silver for immediate delivery is more expensive than future contracts. The Shanghai silver benchmark jumped from 15,118 renminbi per kilogram on December 19 to 18,471 renminbi on December 26. This creates a massive arbitrage opportunity, leading traders to buy silver in the West and ship it to Shanghai, which is systematically draining the vaults in London and New York.

GEOPOLITICAL INSTABILITY AND MILITARY ESCALATION

The recent price surge is also driven by a significant risk premium due to sudden military escalations. In the Caribbean, the United States has initiated a total blockade and quarantine of Venezuelan oil tankers,. This follow's the US seizure of the supertanker Skipper on December 10. The US Navy has deployed missile destroyers and amphibious assault groups to enforce this blockade, raising the risk of direct conflict with Russia and China, who have signaled support for the Maduro regime.

Additionally, the US conducted lethal air raids in Nigeria against Islamic State and Lacarawa forces between December 25 and 26. These global conflicts push investors toward silver as a safe-haven asset with no counterparty risk,. The blockade of oil also creates an immediate energy supply shock, fueling inflationary expectations that historically favor precious metals.

STRUCTURAL SUPPLY DEFICITS AND INDUSTRIAL DEMAND

On the supply side, the market is facing extreme structural rigidity. Global production fell by 1% this year, leading to a 5-year structural deficit. While a long-term strike at the Cananea mine in Mexico has ended, the impact on immediate supply is negligible because the infrastructure requires years of expensive rebuilding. Primary producers like Fresnillo and Pan American Silver are finding it increasingly costly and technically complex to replace their reserves.

Meanwhile, industrial demand remains inelastic. The solar industry now consumes approximately 25% of the total annual silver supply, and manufacturers must purchase the metal regardless of price to keep factories running,.

INSTITUTIONAL FORECASTS AND THE ERA OF STRATEGIC SCARCITY

Major investment banks are now revising their models to reflect these new realities. Goldman Sachs has labeled silver an indispensable strategic metal for artificial intelligence and the green transition, targeting a price range of $85 to $100 for 2026. Citigroup sees targets up to $72 driven by retail demand, while independent analysts like Robert Kiyosaki suggest a range of $100 to $200.

Although the market is currently overbought with a relative strength index over 80, any dip toward $70 is now viewed by major banks as a new floor,. Silver is no longer merely "gold with leverage"; it has become a scarce industrial asset with sovereign monetary properties. If the price breaks and holds above the $80 level in the coming days, there is no technical resistance remaining until it reaches $100. The era of cheap, abundant silver has ended, replaced by an era of strategic scarcity.